Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

In the Matter Of)	
Applications of Sprint Nextel Corporation, Transferor))	DA-12-2090 IB Docket No. 12-343
SOFTBANK CORP., and Starburst II, Inc., Transferees)	
for Consent to Transfer of Control of Licenses and Authorizations)))	

REPLY COMMENTS OF THE GREENLINING INSTITUTE

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February 25, 2013

The Greenlining Institute ("Greenlining") hereby files this Reply to Joint Opposition to Petitions to Deny and Reply to Comments in the above-captioned matter.

I. THE COMMISSION'S PUBLIC INTEREST REVIEW SHOULD INCLUDE AN ANALYSIS OF COMPETITION IN THE LOW-COST SERVICES MARKET.

In its opening comments, Greenlining noted its concern that the new company might stop providing low-cost services as a result of the proposed transaction. This would in turn result in reduced competition in the market for low-cost services, leading to higher prices and lower quality of service. Applicants respond to Greenlining's concerns about the proposed transaction by noting SoftBank's history of "reducing consumer prices while expanding opportunities for all consumers, which especially benefitted low-income consumers, to access wireless technology." Based on this history, Applicants claim that Greenlining's concerns are speculative, and that "[t]here is simply no basis to assume that the Transactions will have any adverse effect on the availability of wireless services to low-income consumers."

Greenlining appreciates both Sprint and SoftBank's historical commitments to low-income consumers. Sprint has historically been responsive to the needs of low-income consumers and consumers of color. For example, it is Greenlining's understanding that Sprint was one of the first companies in California to offer in-language customer service. However, as Applicants note, given the wireless industry's "fast moving dynamic marketplace," Applicants cannot guarantee that these commitments will continue.⁶

¹ Greenlining Opening Comments at 6.

² *Id*.

³ Joint Opposition to Petitions to Deny and Reply to Comments (hereafter, Opposition) at 9.

⁴ *Id*. at 9.

⁵ *Id.* at 10.

⁶ *Id.* at 9, note 26.

Greenlining advocates on behalf of many of California's low-income communities and communities of color. These groups are understandably interested in the effects of the proposed transaction on their communities. Greenlining has previously discussed the proposed transaction's effects on low-cost wireless services with the Commission, and will continue to provide the Commission with input on this issue. Greenlining respectfully requests that the Commission's review of the proposed transaction include consideration of the proposed transaction's effects on low-income consumers and consumers of color.

II. THE COMMISSION'S PUBLIC INTEREST REVIEW SHOULD INCLUDE AN ANALYSIS OF JOB IMPACTS.

Applicants argue that the proposed transaction could increase employment.⁷ Despite this fact, Applicants claim that they "do not rely on job growth in their public interest showing and have made no projections as to the number of new jobs that could result from the Transactions." Accordingly, Applicants argue, even if there were any job-related public interest harms, those harms would have no impact on the Commission's public interest analysis.⁹

Applicants appear to be arguing that because the public interest statement does not discuss the potential job effects of the proposed transaction, any actual job effects will not affect the public interest. However, this argument fails to acknowledge that merger analysis considers evidence from not just the merging parties, but evidence from many other sources, including "customers, other industry participants, and industry observers." Accordingly, Applicants' failure to raise the issue of job impacts in their public interest statement does not preclude the Commission from including job impacts in its analysis of the proposed transaction.

⁷ Opposition at 38.

⁸ *Id.* at 38, note 121.

⁹ See Opposition at 38.

¹⁰ U.S. Department of Justice and the Federal Trade Commission, <u>Horizontal Merger Guidelines</u>, p. 4 (August 19, 2010), available at http://www.justice.gov/atr/public/guidelines/hmg-2010.pdf (hereafter, Merger Guidelines).

III. THE COMMISSION'S PUBLIC INTEREST REVIEW SHOULD INCLUDE CONSIDERATION OF POTENTIAL RISKS TO NET NEUTRALITY.

In its opening comments, Greenlining stated concerns that Softbank has ownership interests in, or long-standing relationships with, providers of broadband content.¹¹ Greenlining is concerned that the new company might prioritize network traffic of those companies to the detriment of other content providers.¹² Applicants respond that these concerns are better addressed in "industry-wide rulemaking proceedings."¹³

Greenlining is not asking the Commission to impose new industry-wide rules regarding net neutrality. Greenlining simply wants the Commission to be aware of the potential net neutrality impacts which could result from SoftBank's ownership interests in specific companies such as Yahoo and Zynga. Additionally, Greenlining respectfully requests that during its review of the proposed transaction, the Commission determine if any such risks exist. If the Commission determines that risks do exist, the Commission should impose conditions to reduce those risks and mitigate any potential harms.

IV. CONCLUSION

The proposed transaction has the potential to disrupt the wireless market, leading to lower prices and better service quality for all consumers. Greenlining hopes that the proposed transaction, if consummated, would benefit low-income consumers, create jobs, and preserve net neutrality. However, based on the Applicants' submissions alone, Greenlining cannot confidently state that the proposed transaction would result in those benefits. Accordingly,

¹¹ Greenlining Comments at 9.

¹² *Id*

¹³ Opposition at 54.

Greenlining respectfully requests that the Commission's review of the proposed transaction includes consideration of those issues.

Respectfully submitted,

Dated: February 25, 2013

/s/ Paul Goodman_

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Certificate of Service

I hereby certify that on this 25th day of February, 2013, I caused true and correct copies of the foregoing Opening Comments of the Greenlining Institute to be served by electronic mail to:

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